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PACKAGING

THE CAHNERS MAGAZINE FOR DECISION-MAKERS/DECEMBER 1986

Canner Aims At 2000/Min

30 Great Ideas In Packaging

New Way To Get Prototype Cartons

Big Gains For Stretch-Wrapping

Fiber Drum Holds Wine

How Upjohn Controls Packaging

Okidata Saves 40% With Molded PE

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FOOD PACKAGING DEMAND TO HIT $63 BILLION

Aseptics will grow fastest, metal can will lead in sales

Between 1985 and 1990 the demand for packaging materials by food and beverage processors will grow from $29 billion to $43 billion, and by 1995 will exceed $63 billion.

According to "Processed Foods Packaging," published in September by FIND/SVP, New York City, the average annual growth of about eight per cent is based on both expanded packaging applications and industry consolidation.

The money leader in 1995 is predicted to be the metal can at $22.5 billion. The fastest grower will be aseptic systems, predicted to rocket 935 per cent between 1985 and 1995, but will occupy a much smaller segment of the market at $300 million. Similar performance is predicted for the retort pouch, slated to grow 733 per cent to total $100 million.

For more information, contact FIND/SVP, 500 Fifth Ave., New York, N.Y. 10110.

SALES RISE FORESEEN FOR CORRUGATED BOXES

Industry to display stiff pressure to expand sales

Through 1995, dollar sales for the corrugated and paperboard container industry are projected to rise 5.3 per cent annually, reaching a total of $31 billion. By comparison, manufacturers' sales in 1985 were more than $19 billion, a 3.5 per cent increase over 1984.

According to a study by Business Trend Analysts, Commack, N.Y., the market for corrugated boxes will continue to be the stronghold of the industry, predicted to jump 5.5 per cent per year as opposed to folding and set-up paperboard boxes. They are expected to perform less well due to the growing use of plastics and other alternative packaging materials in the areas of food and beverages, cosmetics, confections and others.

While the general U.S. economy is slated to remain strong, mergers, acquisitions and plant modernizations in the boxboard industry all point to an industry determination to continue expanding sales, the study reports.

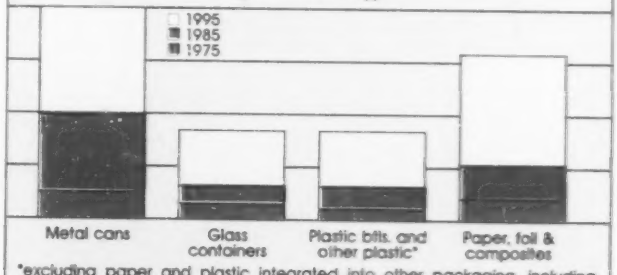
More information on "The Corrugated and Paperboard Container Industry: An Analysis of Current Markets and Prospects for Future Growth" is available from Business Trend Analysts, 2171 Jericho Turnpike, Commack, N.Y. 11725.

CURRENT TRANSACTION PRICES FOR SELECTED PACKAGING MATERIALS (all in $/lb.)

	Oct. '86	Sept. '86	Oct. 85'
Aluminum can stock	1.08	1.06	.96
LDPE/liner	.25	.24	.31
LDPE/clarity	.285	.27	.37
LLDPE/butene	.245	.24	.29
LLDPE/octene	.30	.29	.36
HDPE/blow molding	.31	.29	.34
HDPE/film grade	.345	.33	.37
Polystyrene/genral purpose	.34	.34	.33
Polystyrene/impact	.35	.35	.36
PVC/general purpose	.29	.29	.28
PP/homopolymer	.345	.33	.35
PP/copolymer	.45	.43	.45
ABS	.98	.98	1.01
Unbleached kraft shipping sack	4.25	4.25	3.60
Unbleached kraft grocery sack	3.70	3.40	2.75
Linerboard, 42 lb., east	3.20	3.20	2.50
Linerboard, 42 lb., west	3.20	3.20	2.75
Corrugating medium, semichemical	2.90	2.90	2.40
Recycled folding boxboard, clay-coated	4.00	3.90	3.75
Recycled folding boxboard, chipboard	3.10	3.00	2.90
Bleached kraft board	6.00	6.00	5.70

Source: Purchasing, a Cahners publication

FOOD PACKAGING DEMAND, 1975-1995 (in billions $)



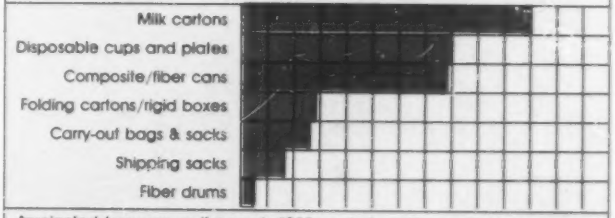
*excluding paper and plastic integrated into other packaging, including aseptics, retort pouches and dual-ovenable ware.
Source: FIND/SVP
Metal cans and glass containers together will account for more than half of all food packaging consumption.

MANUFACTURERS' SALES OF CORRUGATED AND PAPERBOARD PACKAGING (in billions $)

	1985	1986	1995
Folding paperboard	$4.65	$4.93	$7.58
Set-up paperboard	.64	.67	1.07
Corrugated & solid fiber	13.06	13.79	22.30
Total corrugated & solid fiber	13.06	13.79	22.30

Source: Business Trend Analysts Inc.
Corrugated and solid fiber boxes are predicted to remain an industry mainstay, marking $22 billion in sales in 1990.

PAPER'S LOSS OF POTENTIAL* TO PLASTIC, 1990 Lost potential as % of total potential



*projected tonnage as if paper's 1985 market position could be sustained through 1990. Does not include fiber boxes.
Source: Strategic Research Center
Inroads by plastics into traditional paper markets will be most keenly felt in milk cartons and composite cans.

PLASTICS TO GAIN ON PAPER, BOARD PRODUCTS

Will make 11% inroad on 1990 paper and board market

Excluding fiber boxes, if the 1985 market position for paper and paperboard packaging products and disposables could be maintained through 1990, approximately 11 per cent of it will be lost to plastic, translating into one million tons taken from a potential nine million-ton total.

According to Strategic Research Center, Cleveland, this loss of potential will be felt most in such end uses as milk cartons (45 per cent) and composite and fiber cans (30 per cent).

In comparison, the use of plastic resins in these categories is expected to increase 4.4 per cent annually, reaching a total of 6.9 billion pounds by 1990. The study predicts the fastest gains for plastics in the category of resins for pour-spout cans for automotive products, predicted to grow 20 per cent per year. The largest volume gains will be in the areas of food and non-food packaging films (440 million pounds) and carry-out bags (300 million pounds).

More information on "Market Update: An Analysis of the Plastic vs. Paper Battle" is available from Strategic Research Center, One Commerce Park Square, 23200 Chagrin Blvd., Cleveland, Ohio 44122.

MORE STATISTICS . . .

The demand for vinyl acetate monomer, a base material for packaging and labeling adhesives as well as ethylene vinyl alcohol (EVOH), will continue to grow through 1995, which may lead to tight supplies for an industry with no current projected capacity additions, according to a report from **U.S.I. Chemicals**, Cincinnati . . . New orders for packaging and packaging-related converting machinery were up 15.8 per cent in September compared to August, but down 3.0 per cent compared to September of last year, the **Packaging Machinery Manufacturers Institute** reported. The decrease compared to last year was due to a drop in foreign orders . . . The **Fibre Box Association** reports year-to-date industry shipments are 6.0 per cent higher than last year.